

**Red River Parish Tax Assessor**  
**A Component Unit of the Red River Parish Police Jury**  
Red River Parish, Louisiana

**Annual Financial Statements**

**As of and For the Year Ended**  
**December 31, 2013**  
**With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: JUL 09 2014

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Red River Parish Tax Assessor  
Coushatta, Louisiana

Annual Financial Statements  
As of and For the Year Ended December 31, 2013  
With Supplemental Information Schedules

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## INDEPENDENT AUDITOR'S REPORT

Ms. Becky Craig  
Red River Parish Tax Assessor  
Coushatta, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Red River Parish Tax Assessor, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Red River Parish Tax Assessor's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Red River Parish Tax Assessor, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 7 and 30 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2014 on our consideration of the Red River Parish Tax Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Red River Parish Tax Assessor's internal control over financial reporting and compliance.

*Kenneth D. Falden & Co., CPAs*

Jonesboro, Louisiana  
June 20, 2014

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART I**

Red River Parish Tax Assessor  
Coushatta, Louisiana

Management's Discussion and Analysis  
For the Year Ended December 31, 2013

As Management of the Red River Parish Tax Assessor, we offer readers of the Red River Parish Tax Assessor financial statements this narrative overview and analysis of the financial activities of the Red River Parish Tax Assessor as of and for the year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with the Assessor's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

### **FINANCIAL HIGHLIGHTS**

- The assets of the Assessor exceeded its liabilities by \$4,936,995 (net position), at December 31, 2013. This is an increase from prior year of \$1,267,068.
- Unrestricted net position of \$4,890,052 represents the portion available to maintain the Assessor's obligations to both citizens and creditors.
- At year end, the Assessor had no long-term debt, meaning that all assets owned by the Assessor are free and clear of debt.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Assessor as a whole and presents a longer-term view of the Assessor's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. The Fund Statements provide a more detailed look at the Assessor's activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Assessor uses fund accounting to ensure and reflect its compliance with finance-related legal requirements. The Assessor has one fund, a governmental fund, which is the general fund.

A summary of the basic government-wide financial statements is as follows:

### Summary of Statement of Net Position

	Governmental Activities	
	2013	2012
<b>Assets:</b>		
Current assets	\$ 5,449,953	\$ 4,064,294
Capital assets (net of accumulated depreciation)	46,943	29,064
<b>Total Assets</b>	<b>5,496,896</b>	<b>4,093,358</b>
<b>Liabilities:</b>		
Accounts payable	3,020	1,691
Payroll liabilities	11,244	10,711
Net Other Post Employment Benefits	545,637	411,028
<b>Total Liabilities</b>	<b>559,901</b>	<b>423,430</b>
<b>Net Position:</b>		
Invested in capital assets, net of related debt	46,943	29,064
Unrestricted	4,890,052	3,640,864
<b>Total Net Position</b>	<b>\$ 4,936,995</b>	<b>\$ 3,669,928</b>

### Summary Statement of Activities

	Governmental Activities	
	2013	2012
<b>General Revenues:</b>		
Ad valorem taxes	\$ 2,133,235	\$ 1,919,553
Charges for services	1,132	4,530
Loss on investment	(206,775)	(11,074)
Interest income	2,930	4,215
<b>Total Revenues</b>	<b>1,930,522</b>	<b>1,917,224</b>
<b>Expenses:</b>		
General Government		
Personnel services	565,979	549,035
Operating services	69,398	28,593
Materials and supplies	6,743	6,997
Travel and other charges	21,334	21,321
<b>Total Expenses</b>	<b>663,454</b>	<b>605,946</b>
<b>Change in Net Position</b>	<b>1,267,068</b>	<b>1,311,278</b>

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The budget was amended during the year. Actual revenues were \$129,368 more than the budgeted amount for the year. Actual expenses were more than the budgeted amount by \$21,165. Other financing sources were less than budgeted sources by \$2,070. Other financing uses for the loss on the sale of investments was more than budgeted by \$194,775.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Ad Valorem taxes are the primary source of revenue. Ad Valorem taxes are expected to rise significantly over future years as property values in Red River Parish have increased significantly due to the discovery of natural gas deposits known as the Haynesville Shale. The cost associated with maintaining a contemporary computer system and the rising cost of health and retirement benefits are contributing factors that may affect the Assessor's budget. However, the budget for FY 2013 should not change significantly from the FY 2012 budget.

## **CONTACTING THE ASSESSOR**

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Assessor's finances and to show the Assessor's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Becky Craig at Post Office Box 509, Coushatta, Louisiana 71019-0509.



# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

Red River Parish Tax Assessor  
Coushatta, LouisianaStatement of Net Position  
As of December 31, 2013

Governmental Activities
----------------------------

**ASSETS****Current Assets:**

Cash and cash equivalents	\$ 3,331,267
Receivables	<u>2,118,687</u>
TOTAL CURRENT ASSETS	5,449,953

**Non-Current Assets:**

Capital assets (net of accumulated depreciation)	<u>46,943</u>
TOTAL ASSETS	<u>\$ 5,496,896</u>

**LIABILITIES****Current Liabilities:**

Accounts payable	\$ 3,020
Payroll liabilities	<u>11,244</u>
TOTAL CURRENT LIABILITIES	14,264

**Non-Current Liabilities:**

Net pension obligation	<u>545,637</u>
TOTAL LIABILITIES	<u>559,901</u>

**NET POSITION**

Invested in capital assets, net of related debt	46,943
Unrestricted	<u>4,890,052</u>
TOTAL NET POSITION	<u>\$ 4,936,995</u>

The accompanying notes are an integral part of these statements.

Red River Parish Tax Assessor  
Coushatta, Louisiana

Statement of Activities  
For the Year Ended December 31, 2013

	MAJOR FUNDS			Net (Expense) Revenue and Changes in Net Position
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	Governmental Activities

**Primary government:**

## Governmental activities:

## General Government

Personnel services	\$ 565,979	\$ -	\$ -	\$ -	\$ (565,979)
Operating services	69,398	1,132	-	-	(68,266)
Materials and supplies	6,743	-	-	-	(6,743)
Travel and other charges	21,334	-	-	-	(21,334)
Total governmental activities	<u>\$ 663,454</u>	<u>\$ 1,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (662,322)</u>

## General Revenues:

Taxes	
Ad valorem	2,133,235
Intergovernmental - Assessor's Compensation	-
Interest	2,930
Miscellaneous	-
Gain (loss) on the sale of investments	(206,775)
Total general revenues	<u>1,929,390</u>
Change in Net Position	1,267,068
Net Position - December 31, 2012	<u>3,669,927</u>
Net Position - December 31, 2013	<u>\$ 4,936,995</u>

The accompanying notes are an integral part of these statements.

# **FUND FINANCIAL STATEMENTS**

Red River Parish Tax Assessor  
Coushatta, Louisiana

Balance Sheet - Governmental Funds  
As of December 31, 2013

	General Fund
<b>ASSETS</b>	
Cash and equivalents	\$ 3,331,267
Receivables, net	<u>2,118,687</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 5,449,953</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 3,020
Payroll liabilities	<u>11,244</u>
<b>TOTAL LIABILITIES</b>	<u>14,264</u>
Fund Balances:	
Unassigned	<u>5,435,689</u>
<b>TOTAL FUND BALANCE</b>	<u>5,435,689</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 5,449,953</u></u>

## Statement D

Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
As of December 31, 2013

Total Fund Balances of General Fund (Statement C) at December 31, 2013	\$ 5,435,689
Total Net Position reported for Governmental Activities in the Statement of Net Position (Statement A) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet (Statement C)	
Capital Assets	150,608
Less Accumulated Depreciation	(103,665)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet (Statement C)	
Net Other Post-Employment Benefits	<u>(545,637)</u>
Net Position of governmental activities (Statement A) at December 31, 2013	<u><u>\$ 4,936,995</u></u>

The accompanying notes are an integral part of these statements.

Red River Parish Tax Assessor  
Coushatta, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund  
For the Year Ended December 31, 2013

	General Fund
<b>REVENUES</b>	
Taxes:	
Ad valorem	\$ 2,133,235
Charges for services	1,132
<b>TOTAL REVENUES</b>	<u>2,134,368</u>
<b>EXPENDITURES</b>	
General Government	
Personnel services	431,370
Operating services	62,046
Materials and supplies	6,743
Travel and other charges	21,334
Capital Outlay	25,232
<b>TOTAL EXPENDITURES</b>	<u>546,725</u>
<b>EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES</b>	<u>1,587,643</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interest income	2,930
Gain (loss) on the sale of investments	<u>(206,775)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(203,845)</u>
<b>NET CHANGES IN FUND BALANCE</b>	1,383,798
<b>FUND BALANCES - December 31, 2012</b>	<u>4,051,892</u>
<b>FUND BALANCES - December 31, 2013</b>	<u><u>\$ 5,435,689</u></u>

The accompanying notes are an integral part of these statements.

Red River Parish Tax Assessor  
Coushatta, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2013

Total net change in fund balances - governmental funds (Statement E) at  
December 31, 2013

\$ 1,383,798

Amount reported for governmental activities in the Statement of Activities  
(Statement B) are different because:

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities (Statement B), the cost of those assets is allocated over  
their estimated useful lives as depreciation expense. The cost of capital assets  
recorded in the current period is

25,232

Depreciation expense is reported in the government-wide Statement of  
Activities, but does not require the use of current financial resources.  
Therefore, depreciation expense is not reported as an expenditure in the  
governmental funds. Current year depreciation expense is

(7,352)

Some expenses reported in the Statement of Activities do not require the use of  
current financial resources and, therefore, are not reported as expenditures in the  
governmental funds. These timing differences are summarized below:

Net Other Post Employment Benefits

(134,609)

Change in net position of governmental activities (Statement B) at December 31,  
2013

\$ 1,267,068



# **NOTES TO THE FINANCIAL STATEMENTS**

Red River Parish Tax Assessor  
Coushatta, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended December 31, 2013

## INTRODUCTION

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, Assessors are elected by the voters of each parish and serve terms of four years. The Assessors assess property, prepare tax rolls, and submit tax rolls to the Louisiana Commission.

The Assessor's office is located in the Red River Parish Courthouse in Coushatta, Louisiana. The Assessor employs 3 deputies. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying general purpose financial statements of the Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

### A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Red River Parish Police Jury is the financial reporting entity for Red River Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Red River Parish Police Jury for financial reporting purposes. Governmental Accounting Standards Board Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the police jury regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Since the Assessor is fiscally dependent on the police jury, the Assessor has been determined to be a component unit of the Red River Police Jury. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

## **B. BASIS OF PRESENTATION**

### Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Assessor's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

## **C. FUND ACCOUNTING**

The accounts of the Assessor are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Assessor maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The major fund of the Assessor is described below:

### **Governmental Fund-**

#### **General Fund**

The General Fund is the general operating fund of the Assessor. It is used to account for all financial resources except those required to be accounted for in another fund.

## **D. MEASUREMENT FOCUS / BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

#### Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Assessor as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

#### Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Assessor considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

### **E. ASSETS, LIABILITIES AND EQUITY**

#### Cash and Interest-Bearing Deposits

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, certificates of deposit, and investments in U.S. government securities of the Assessor.

#### Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Furniture, fixtures, equipment	5-10 years
Improvements	10-20 years

### Compensated Absences

Employees of the Red River Parish Tax Assessor do not accrue or "carry forward" any type of leave from year to year. Therefore, no entry is made to record compensated absences.

### Equity Classification

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets---consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- b. Restricted net position---consists of assets that are restricted by the Assessor's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- c. Unrestricted---All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance---amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact.
- b. Restricted fund balance---amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- c. Committed fund balance---amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- d. Assigned fund balance---amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance---amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

When an expense is incurred for the purposes for which both restricted and unrestricted net positions are available, the Assessor applies unrestricted first, unless a determination is made to use restricted. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by the Assessor at the incurrence of the expense.

In the General Fund, the Assessor strives to maintain an unassigned fund balance.

#### **F. BUDGET**

Prior to the beginning of each fiscal year, the Red River Parish Tax Assessor adopts a budget for the next fiscal year. The budget can be amended before the end of the fiscal year under the same process used to adopt a budget. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

#### **G. CASH AND CASH EQUIVALENTS**

At December 31, 2013, the Red River Parish Tax Assessor has cash and cash equivalents (collected bank balances) totaling \$3,331,267 as follows:

Interest-bearing demand deposits	\$ 874,115
US Government Securities	<u>2,457,152</u>
Total	<u>\$ 3,331,267</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2013, the Assessor has \$3,331,267 in deposits (collected bank balances). These deposits are secured from risk by \$318,301 of federal deposit insurance and \$1,131,995 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The \$2,457,152 in securities is secured by the U.S. Government.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand.

## H. ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable as of December 31, 2013:

<u>Class of Receivable</u>	
Taxes	\$ 2,118,687
Interest	-
Total	<u>\$ 2,118,687</u>

## I. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2013 is as follows:

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
<b>Governmental Activities:</b>				
Equipment, furniture, and fixtures	\$ 88,316	\$ 25,232	\$ -	\$ 113,548
Improvements	37,060	-	-	37,060
Total Capital Assets Depreciated	125,376	25,232	-	150,608
Less accumulated depreciation:				
Equipment, furniture, and fixtures	87,415	3,081	-	90,496
Improvements	8,898	4,271	-	13,169
Total Capital Assets Depreciated	96,313	7,352	-	103,665
Net capital assets	\$ 29,063	\$ 17,880	\$ -	\$ 46,943

Depreciation expense of \$7,352 was charged to the general government function.

## J. ACCOUNTS PAYABLE

The following is a summary of accounts payable as of December 31, 2013:

<u>Class of Payable</u>	
Vendor	\$ 3,020
Salaries and benefits	11,244
Total	<u>\$ 14,264</u>

## K. EMPLOYEE RETIREMENT SYSTEM

Substantially all employees of the Red River Parish Tax Assessor's office are members of the Louisiana Assessor's Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable

monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, P. O. Box 1786, Shreveport, Louisiana, 71166-1786, or by calling (318) 425-4446.

#### Funding Policy

Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the Red River Parish Tax Assessor is required to contribute at an actuarially determined rate. The current rate is 13.5 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Red River Parish Tax Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Red River Parish Tax Assessor's contributions to the System for the years ending December 31, 2013, 2012, and 2011, were \$63,593, \$60,678, and \$56,809, respectively, equal to the required contributions for each year.

#### **L. EXPENSES PAID BY THE RED RIVER PARISH POLICE JURY**

Certain expenses of the Assessor's office are paid by the Red River Parish Police Jury. In addition to furnishing the building where the Assessor's office is located, the Police Jury pays all utility bills, most insurance, and furnishes some of the equipment in the Assessor's office.

#### **M. LEASES**

The Red River Parish Tax Assessor is a party to an operating lease of a vehicle through Ford Credit. The terms of the lease call for payments of \$784 for 60 months with payments beginning September 14, 2012.

#### **N. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

#### **O. AD VALOREM TAXES**

The Assessor levies taxes on real and business personal property located within the boundaries of Red River Parish. Property taxes are levied by the Assessor on property values assessed by the Assessor and approved by the State of Louisiana Tax Commission.



The Red River Parish Sheriff's office bills and collects property taxes. The Assessor recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax Sale	May 15

The Assessor is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose after the approval by the voters of the Parish. Property taxes are recorded as receivables and revenues in the year assessed.

Assessed values are established by the Red River Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

**P. OTHER POST-EMPLOYMENT BENEFITS**

On January 1, 2010, the Red River Parish Tax Assessor implemented Governmental Accounting Standards Board Statement No. 45 entitled "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (GASB 45). The major change under GASB 45 is to attribute the cost of postretirement benefits (medical, dental and life insurance) to the time which the employee is working for the employer. This standard does not require the funding of these benefits, but it does require recognizing the liability and expense in the financial statements. The Assessor recognized a noncurrent liability of \$545,637 for 2013 in the Statement of Net Position. A \$134,609 expense is included in personnel services and related benefits expense in the Statement of Activities.

Plan Description

The Assessor provides certain continuing health insurance benefits for its retired employees and their spouses. Eligibility for medical coverage is based on the following:

- 55 years old and 12 years of service, or
- 30 years of service at any age

### Funding Policy

These benefits for the retirees are provided through an insurance company on a pay-as-you-go basis. The Assessor contributes 100% of the cost of current-year premiums for the one retiree. The Assessor recognizes the cost of providing these benefits (Assessor's cost of premiums) as an expenditure when the monthly premiums are paid. For the year ended December 31, 2013, the total amount of premiums paid for retirees totaled \$8,463.

### Annual OPEB Cost and Net OPEB Obligation

The Assessor's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Assessor has elected to calculate the ARC and related information using the Unit Credit Actuarial Cost Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years.

The following table shows the components of the Assessor's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Assessor's net OPEB obligation to the Retiree Health Plan for year ended December 31, 2013:

	<u>Medical</u>
Determination of Annual Required Contribution	
Normal Cost at Fiscal Year End	\$ 69,399
Amortization of UAAL	<u>82,403</u>
Annual Required Contribution (ARC)	<u>\$ 151,802</u>
Net OPEB Obligation – Beginning of Year	\$ 411,028
Determination of Net OPEB Obligation	
Annual Required Contribution	151,802
Interest on Prior Year Net OPEB Obligation	16,441
Adjustment to ARC	<u>(25,171)</u>
Annual OPEB Cost	143,072
Assumed Contributions Made	<u>(8,463)</u>
Estimated Increase in Net OPEB Obligation	\$ 134,609
Estimated Net OPEB Obligation – End of Year	<u>\$ 545,637</u>

The Assessor's estimated annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net obligation for year ended 2013 and the two preceding fiscal years assuming the plan is not prefunded (4% discount rate):

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Cost Contributed	Net OPEB Obligation
12/31/2011	4.00%	137,065	0.00%	273,192
12/31/2012	4.00%	146,000	5.60%	411,028
12/31/2013	4.00%	143,072	5.90%	545,637

#### Funded Status and Funding Progress

The Assessor's actuarial accrued liability for benefits was \$1,345,620, all of which was unfunded for the year ended 2013. The covered payroll (annual payroll of active employees covered by the plan) was \$287,587, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 468 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of interest, future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

#### Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The unit credit actuarial cost method was used with the estimates based to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates. In the current valuation, the actuarial assumptions used for the calculation of costs and liabilities are:

##### MEASUREMENT DATE

Benefit liabilities are valued as of December 31, 2013

##### DISCOUNT RATE FOR VALUING LIABILITIES

Without prefunding - 4.0% per annum, compounded annually

##### MORTALITY RATES

Pre-retirement: Sex Distinct RP 2000 Combined Healthy Mortality Table projected to 2014 using Scale AA  
Post-retirement: Sex Distinct RP 2000 Combined Healthy Mortality Table projected to 2014 using Scale AA

#### **Q. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES**

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASB 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This statement is effective for periods beginning after June 15, 2012. Management has implemented the provisions of this Statement for the current audit period.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. Management has implemented the provisions of this Statement for the current audit period.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 revises the treatment of a variety of transactions previously reported as either assets or liabilities on the statement of financial position to classification as either deferred outflows of resources or deferred inflows of resources, as required by GASBS No. 63. The Statement also amends the requirements for the determination of major funds. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The adoption of GASB 65 does not have any impact on the Assessor's current financial statements.

In March 2012, the GASB issued Statement 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. GASB 66 resolves conflicting guidance that resulted from the issuance of two pronouncements, Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Amending Statement 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, this statement removes the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service type fund. Governments should base their decisions about fund type classifications on the nature of the activity to be reported, as required by Statement 54 and Statement 34. This Statement also amends Statement 62 by modifying the specific guidance on accounting for operating lease payments that vary from straight-line basis, the difference between the initial investment and the principal amount of a purchased loan or group of loans, and servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current servicing fee rate. These changes help the clarify and provide consistent guidance with Statement 13, *Accounting for Operating Leases with Scheduled Rent Increases* and Statement 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues*. The provisions of this Statement are effective for financial statements for periods beginning after December 31, 2012. The adoption of GASB 66 does not have any impact on the Assessor's current financial statements.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*. The objective of this Statement is to improve the usefulness of pension information in the general purpose financial reports of state and local governmental pension plans. This Statement replaces the requirements of Statement 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts that meet certain criteria. GASB issued Statement 68, *Accounting for Financial Reporting for Pensions*, at the same time. These two Statements are closely related and reference one another. Statement 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement 67, as well as for non-employer governments that have a legal obligation to contribute to those plans. Statement 67 provisions are effective for financial statements for periods beginning after June 15, 2013. Statement 68 provisions are effective for financial statements for periods beginning after June 15, 2014. The adoption of GASB 67 and GASB 68 does not have any impact on the Assessor's current financial statements.

## **2. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 20, 2014, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART II**

Red River Parish Tax Assessor  
Coushatta, Louisiana

Budgetary Comparison Schedule - General Fund  
For the Year Ended December 31, 2013

	Budget - Original	Budget - Final	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 2,000,000	\$ 2,000,000	\$ 2,133,235	\$ 133,235
Charges for services	5,000	5,000	1,132	(3,868)
<b>TOTAL REVENUES</b>	<u>2,005,000</u>	<u>2,005,000</u>	<u>2,134,368</u>	<u>129,368</u>
<b>EXPENDITURES</b>				
General Government				
Personnel services				
Assessor expense allowance	11,260	11,260	11,717	(457)
Salaries	262,000	262,000	287,587	(25,587)
Retirement	65,000	65,000	63,593	1,407
Insurance	68,000	68,000	65,745	2,255
Payroll taxes	2,500	2,500	2,729	(229)
Total personnel services	<u>408,760</u>	<u>408,760</u>	<u>431,370</u>	<u>(22,610)</u>
Operating services				
Official publications	250	250	145	105
Workers' Compensation insurance	1,050	1,050	879	171
Dues and subscriptions	10,750	10,750	8,502	2,248
Advertising	-	-	65	(65)
Software license and maintenance	500	27,500	8,584	18,916
Postage	750	750	765	(15)
Bank charges	-	-	630	(630)
Telephone	3,900	3,900	3,917	(17)
Maintenance of equipment	250	250	-	250
Surety bonds	-	-	100	(100)
Professional services	15,000	40,000	38,459	1,541
Total operating services	<u>32,450</u>	<u>84,450</u>	<u>62,046</u>	<u>22,404</u>
Materials and supplies				
Office supplies	7,500	7,500	6,743	757
Total materials and supplies	<u>7,500</u>	<u>7,500</u>	<u>6,743</u>	<u>757</u>

The accompanying notes are an integral part of these statements.

Red River Parish Tax Assessor  
Coushatta, Louisiana

Budgetary Comparison Schedule - General Fund  
For the Year Ended December 31, 2013

	Budget - Original	Budget - Final	Actual	Variance Favorable (Unfavorable)
Travel and other charges				
Automobile Expense				
Automobile fuel	3,500	3,500	2,408	1,092
Automobile repairs	1,150	1,150	102	1,048
Lease	8,700	8,700	9,409	(709)
Automobile insurance	3,000	3,000	2,312	688
Other travel	3,500	3,500	7,103	(3,603)
Total travel and other charges	<u>19,850</u>	<u>19,850</u>	<u>21,334</u>	<u>(1,484)</u>
Capital Outlay				
Computer equipment and software	<u>5,000</u>	<u>5,000</u>	<u>25,232</u>	<u>(20,232)</u>
Total Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>25,232</u>	<u>(20,232)</u>
<b>TOTAL EXPENDITURES</b>	<u>473,560</u>	<u>525,560</u>	<u>546,725</u>	<u>(21,165)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES</b>	<u>1,531,440</u>	<u>1,479,440</u>	<u>1,587,643</u>	<u>108,203</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interest income	5,000	5,000	2,930	(2,070)
Gain (loss) on the sale of investments	<u>(12,000)</u>	<u>(12,000)</u>	<u>(206,775)</u>	<u>(194,775)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(7,000)</u>	<u>(7,000)</u>	<u>(203,845)</u>	<u>(196,845)</u>
<b>NET CHANGES IN FUND BALANCE</b>	<u>1,524,440</u>	<u>1,472,440</u>	<u>1,383,798</u>	<u>(88,642)</u>
<b>FUND BALANCES - December 31, 2012</b>	<u>4,051,892</u>	<u>4,051,892</u>	<u>4,051,892</u>	<u>-</u>
<b>FUND BALANCES - December 31, 2013</b>	<u>\$ 5,576,332</u>	<u>\$ 5,524,332</u>	<u>\$ 5,435,689</u>	<u>\$ (88,642)</u>

The accompanying notes are an integral part of these statements.



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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Ms. Becky Craig  
Red River Parish Tax Assessor  
Coushatta, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Red River Parish Tax Assessor, a component unit of the Red River Parish Police Jury, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Red River Parish Tax Assessor's basic financial statements and have issued our report thereon dated June 20, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Red River Parish Tax Assessor's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Red River Parish Tax Assessor's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Red River Parish Tax Assessor's internal control over financial reporting.

*A deficiency in internal control exists* when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting, Finding 2013-3 and Finding 2013-4.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Red River Parish Tax Assessor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2013-1 and Finding 2013-2.

### **Red River Parish Tax Assessor's Response to Findings**

The Red River Parish Tax Assessor's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Assessor's response, and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Red River Parish Tax Assessor's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kenneth D. Felden & Co., CPAs*

Jonesboro, Louisiana  
June 20, 2014

## **SUPPLEMENTAL INFORMATION**

Red River Parish Tax Assessor  
Coushatta, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2013

We have audited the basic financial statements of the Red River Parish Tax Assessor as of and for the year ended December 31, 2013, and have issued our report thereon dated June 20, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, and the provisions of OMB Circular A-133. Our audit of the financial statements as of December 31, 2013 resulted in an unqualified opinion.

**SECTION 1. SUMMARY OF AUDITOR'S REPORT**

**A. Report on Internal Control and Compliance Material to the Financial Statements**

**Internal Control**

Material Weaknesses \_\_ Yes X No Other Conditions \_\_ Yes X No

**Compliance**

Compliance Material to Financial Statements \_\_ Yes X No

**B. Findings - Financial Statements Audit**

**Current Year**

**2013-1 Compliance with State Investment Requirements**

Criteria: Louisiana Revised Statute 33:2955 states in part: political subdivisions may invest in time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana. In addition, Louisiana Revised Statute 33:2955 states in part: investment of funds in such mutual or trust institutions shall be limited to twenty-five percent of the monies considered available for investment as provided by this Section.

Condition: For the year ended December 31, 2013, the Assessor had CDs with banks that did not meet the requirements as stated above. Investments in mutual funds amounted to 25.28% of the monies considered available for investment for the year ended December 31, 2013.

Cause: In the prior audit period, the Assessor became aware of the requirement of the state law. During the current audit period, the Assessor with the investing agent worked to reduce the amount of monies invested in mutual funds to the required amount while trying to avoid loss of public funds.

Effect: The Assessor is not in compliance with state law concerning investments.

Recommendation: The Red River Parish Tax Assessor should institute procedures to ensure that state law is followed when making investments.

Management Response: The Red River Parish Tax Assessor has instituted procedures to ensure that state law is followed when making investments.

### **2013-2 Compliance with Local Government Budget Law**

**Criteria:** Louisiana state statute (RS 39:1311) requires that the budget be properly amended if actual revenues or other financing sources are less than budgeted revenues or other financing sources by five percent or more or if actual expenditures or other financing uses exceed budgeted expenditures or other financing uses by five percent or more.

**Condition:** For the year ended December 31, 2013, in the General Fund, the actual other financing uses exceeded the budgeted other financing uses by more than 5%. Also, the actual other financing sources were less than the budgeted other financing sources by more than 5%. The budget for this fund was not amended to correct for the five percent variance.

**Effect:** The Red River Parish Tax Assessor is in violation of the Local Government Budget Act.

**Recommendation:** The Red River Parish Tax Assessor should modify procedures to ensure that the annual budget is properly amended when necessary.

**Management Response:** The Red River Parish Tax Assessor will adopt procedures to ensure that the annual budget is amended as required by state law.

### **2013-3 Inadequate System to Ensure Compliance with State Investment Requirements**

**Criteria:** Management is responsible for establishing internal control policies and procedures that provide for compliance with applicable state laws including revised statutes regarding investments.

**Condition:** For the year ended December 31, 2013, the Assessor had CDs with banks that did not meet the requirements of the revised statutes, and investments in mutual funds amounted to more than the limit of monies that could be invested in mutual funds.

**Cause:** There is not an adequate system to ensure that the Assessor makes investments that are in compliance with state law.

**Effect:** By not having an adequate system in place, the Assessor is in violation of the state law concerning investments and could be susceptible to the loss of public funds.

**Recommendation:** The system should be modified to ensure that the Red River Parish Tax Assessor follows the law regarding investments.

**Management Response:** The Red River Parish Tax Assessor has modified the system to ensure that the Assessor follows the law regarding investments.

#### **2013-4 Inadequate System to Ensure Compliance with Local Government Budget Law**

**Criteria:** Management is responsible for establishing internal control policies and procedures that provide for compliance with applicable state laws including the Local Government Budget Law.

**Condition:** During the audit of the Red River Parish Tax Assessor, the actual other financing sources and other financing uses varied more than five percent from the adopted budget. The amendment to the budget was not adequate to overcome the variance, causing the Assessor to be noncompliant with the state law.

**Cause:** There is not an adequate system to ensure that the budget is amended properly.

**Effect:** By not having an adequate system in place, the Assessor is in violation of the budget law, and the Red River Parish Tax Assessor would be susceptible to making poor business decisions.

**Recommendation:** The system should be modified to ensure that the Assessor follows the law regarding budgets for Local Governments.

**Management Response:** The Red River Parish Tax Assessor will modify the system to ensure that the Assessor follows the law regarding budgets for Local Governments.

#### **Prior Year**

#### **2012-1 Compliance with State Investment Requirements**

**Criteria:** Louisiana Revised Statute 33:2955 states in part: political subdivisions may invest in time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana. In addition, Louisiana Revised Statute 33:2955 states in part: investment of funds in such mutual or trust institutions shall be limited to twenty-five percent of the monies considered available for investment as provided by this Section.

**Condition:** For the year ended December 31, 2012, the Assessor had CDs with banks that did not meet the requirements as stated above. Investments in mutual funds amounted to sixty-four percent of the monies considered available for investment for the year ended December 31, 2012.

**Cause:** The Assessor was not aware of the state requirements regarding investments.

**Effect:** The Assessor is not in compliance with state law concerning investments.

**Recommendation:** The Red River Parish Tax Assessor should institute procedures to ensure that state law is followed when making investments.

**Management Response:** The Red River Parish Tax Assessor has instituted procedures to ensure that state law is followed when making investments.

## **2012-2 Inadequate System to Ensure Compliance with State Investment Requirements**

**Criteria:** Management is responsible for establishing internal control policies and procedures that provide for compliance with applicable state laws including revised statutes regarding investments.

**Condition:** For the year ended December 31, 2012, the Assessor had CDs with banks that did not meet the requirements of the revised statutes, and investments in mutual funds amounted to more than the limit of monies that could be invest in mutual funds.

**Cause:** There is not an adequate system to ensure that the Assessor makes investments that are in compliance with state law.

**Effect:** By not having an adequate system in place, the Assessor is in violation of the state law concerning investments and could be susceptible to the loss of public funds.

**Recommendation:** The system should be modified to ensure that the Red River Parish Tax Assessor follows the law regarding investments.

**Management Response:** The Red River Parish Tax Assessor has modified the system to ensure that the Assessor follows the law regarding investments.